

CITY OF SPEARVILLE, KANSAS

**FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2012**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
<u>FINANCIAL SECTION</u>	
Statement 1	
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH	4
NOTES TO THE FINANCIAL STATEMENT	5
<u>SUPPLEMENTARY INFORMATION</u>	
Schedule 1	
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET	11
Schedule 2	
SCHEDULE OF RECEIPTS AND EXPENDITURES	
2-1 General Fund	12
<u>Special Purpose Funds</u>	
2-2 Special Street Fund	13
2-3 Capital Improvement Fund	14
2-4 Crime Stoppers Fund	15
2-5 Community Development Fund	16
2-6 Woodbury Trust Fund	17
2-7 Community Sign Fund	18
2-8 Laudick Estate Fund	19
<u>Bond and Interest Fund</u>	
2-9 Bond and Interest Fund	20
<u>Capital Project Funds</u>	
2-10 Water Well #11 Construction Fund	21
2-11 RHID Construction Fund	22
<u>Business Funds</u>	
2-12 Gas Utility Fund	23
2-13 Water Utility Fund	24
2-14 Sewer Utility Fund	25
2-15 Sanitation Utility Fund	26
2-16 Gas Utility Reserve Fund	27
2-17 Water Capital Outlay Fund	28
Schedule 3	
SUMMARY OF RECEIPTS AND DISBURSEMENTS	
<u>Agency Fund</u>	
3-1 Utility Deposits Fund	29
 FIREMEN'S RELIEF ASSOCIATION	

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Spearville, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Spearville, Kansas as of and for the year ended December 31, 2012 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A, the financial statement is prepared by the City of Spearville, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Spearville, Kansas as of December 31, 2012, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the City of Spearville, Kansas as of December 31, 2012, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures, schedule of regulatory basis receipts and disbursements – agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

The 2011 Actual columns presented in the individual fund schedules of cash receipts and expenditures, (Schedule 2 as listed in the table of contents) upon which we rendered an unqualified opinion dated May 18, 2012 are also presented for comparative analysis and are not a required part of the 2012 financial statement. The 2011 financial statements and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management and Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2011 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statements. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 financial statements or to the 2011 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 financial statements as a whole.

Kennedy McKee & Company LLP

May 20, 2013

CITY OF SPEARVILLE, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

Year ended December 31, 2012

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Prior year canceled encumbrances</u>
General fund	\$ 168,809	\$ -
SPECIAL PURPOSE FUNDS:		
Special street	3,470	-
Capital improvement	74,927	-
Crime Stoppers	1,037	-
Community development	240,580	-
Woodbury trust	25,280	-
Community sign	286	-
Laudick estate	267,126	-
Total special purpose funds	612,706	-
BOND AND INTEREST FUND:		
Bond and interest	10,835	-
CAPITAL PROJECT FUNDS:		
Water well #11 construction	180,768	-
RHID construction	281,178	-
Total capital project funds	461,946	-
BUSINESS FUNDS:		
Gas utility	125,699	-
Water utility	271,644	-
Sewer utility	7,390	-
Sanitation utility	16,548	-
Gas utility reserve	20,000	-
Water capital outlay	16,841	-
Total business funds	458,122	-
Total - excluding agency fund	<u>\$ 1,712,418</u>	<u>\$ -</u>
Composition of cash balance:		
Interest bearing checking		
Savings account		
Certificates of deposit		
Petty cash		
Total cash		
Utility deposit agency fund		
Total cash - excluding agency fund		

See notes to financial statement.

STATEMENT 1

<u>Cash receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add outstanding encumbrances and accounts payable</u>	<u>Ending cash balance</u>
<u>\$ 276,299</u>	<u>\$ 231,159</u>	<u>\$ 213,949</u>	<u>\$ -</u>	<u>\$ 213,949</u>
20,722	17,377	6,815	-	6,815
30,733	82,837	22,823	25,515	48,338
1	-	1,038	-	1,038
45,473	1,353	284,700	-	284,700
182	-	25,462	-	25,462
38	206	118	-	118
692	29,000	238,818	-	238,818
<u>97,841</u>	<u>130,773</u>	<u>579,774</u>	<u>25,515</u>	<u>605,289</u>
<u>102,954</u>	<u>99,529</u>	<u>14,260</u>	<u>-</u>	<u>14,260</u>
148	180,916	-	-	-
<u>-</u>	<u>205,810</u>	<u>75,368</u>	<u>-</u>	<u>75,368</u>
<u>148</u>	<u>386,726</u>	<u>75,368</u>	<u>-</u>	<u>75,368</u>
218,024	215,246	128,477	-	128,477
283,331	208,544	346,431	-	346,431
72,331	78,763	958	-	958
56,573	53,496	19,625	-	19,625
-	-	20,000	-	20,000
75,618	-	92,459	-	92,459
<u>705,877</u>	<u>556,049</u>	<u>607,950</u>	<u>-</u>	<u>607,950</u>
<u>\$ 1,183,119</u>	<u>\$ 1,404,236</u>	<u>\$ 1,491,301</u>	<u>\$ 25,515</u>	<u>\$ 1,516,816</u>
				\$ 671,062
				833,808
				19,181
				<u>100</u>
				1,524,151
				<u>7,335</u>
				<u>\$ 1,516,816</u>

CITY OF SPEARVILLE, KANSAS

NOTES TO FINANCIAL STATEMENT

December 31, 2012

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the City's financial statement. The financial statement and notes are the representation of the City's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

The City of Spearville is a municipal corporation governed by an elected mayor and five-member council. The City has no related municipal entities.

2. Regulatory Basis Fund Types

General fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business fund – funds financed in whole or in part by fees charged to users of the goods or services.

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for utility reserve funds, agency funds, capital project funds or the capital improvement, Laudick estate, crime stoppers and community sign special purpose funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

B. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds to have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks to provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Custodial credit risk - deposits. Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2012.

At December 31, 2012 the carrying amount of the City's deposits, including certificates of deposit, was \$1,524,051 and the bank balance was \$1,562,822. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$1,062,822 was collateralized with securities held by the pledging financial institutions agents in the City's name.

C. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2012, were as follows:

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Reductions/ net change</u>	<u>Balance end of year</u>	<u>Interest paid</u>
General obligation bonds:					
Street improvements					
Issued May 26, 1998					
In the amount of \$239,577					
At interest rates of 4.85%					
Maturing November 1, 2013	\$ 40,000	\$ -	\$ 20,000	\$ 20,000	\$ 1,940
Water Improvements					
Issued April 27, 2010					
In the amount of \$1,506,000					
At interest rate of 4.125%					
Maturing April 27, 2050	1,490,600	-	194,272	1,296,328	61,487

C. LONG-TERM DEBT (CONTINUED)

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Reductions/ net change</u>	<u>Balance end of year</u>	<u>Interest paid</u>
Temporary notes:					
RHID					
Issued December 1, 2011					
In the amount of \$315,000					
At interest rate of 1.75%					
Maturing December 1, 2015	\$ 315,000	\$ -	\$ -	\$ 315,000	\$ 5,512
Total long-term debt	\$1,845,600	\$ -	\$ 214,272	\$1,631,328	\$ 68,939

Current maturities of general obligation bonds and interest for the next five years and in five year increments through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2013	\$ 36,700	\$ 62,333	\$ 99,033
2014	15,247	58,298	73,545
2015	330,876	57,669	388,545
2016	16,530	51,501	68,031
2017	17,212	50,809	68,021
2018-2022	97,316	242,841	340,157
2023-2027	119,112	221,044	340,156
2028-2032	145,792	194,365	340,157
2033-2037	178,446	161,710	340,156
2038-2042	218,415	121,741	340,156
2043-2047	267,336	72,820	340,156
2048-2050	188,346	15,756	204,102
Total	\$ 1,631,328	\$ 1,310,887	\$ 2,942,215

D. INTERFUND TRANSACTIONS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory authority</u>	<u>Amount</u>
Water utility	Bond and interest	K.S.A. 12-825d	\$ 77,600
Water utility	Water capital outlay	K.S.A. 12-825d	29,160
General	Capital improvement	K.S.A. 12-1,118	30,639

Residual equity transfer was as follows:

<u>From</u>	<u>To</u>	<u>Statutory authority</u>	<u>Amount</u>
Water well #11	Water capital outlay	Bond ordinance	\$ 2,744

E. PENSION COSTS AND EMPLOYEE BENEFITS

1. Defined Benefit Pension Plan

Plan description. The City of Spearville, Kansas, contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603), at the following website: <http://www.kpers.org/annualreport2012.pdf> or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-419 and 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The City of Spearville employer contributions to KPERS for the years ending December 31, 2012, 2011, and 2010 were \$13,331, \$13,270 and \$10,408, respectively, equal to the regulatory required contributions for each year as set forth by the legislature.

2. Other Employee Benefits

Vacation leave – Ten working days per year are allowed as vacation leave to regular full time City employees. If not used by year-end, these days are lost.

Sick leave – Sick leave for regular full time employees is earned at a rate of one-half day per month and may accrue up to a maximum of thirty days. Unused sick leave will not be paid upon termination or resignation.

3. Other Post Employment Benefits.

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement. This year the City had no retirees participating in the health insurance.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

F. CONSTRUCTION COMMITMENTS

As of December 31, 2012, the City had the following commitments with respect to unfinished capital projects:

<u>Project</u>	<u>Project commitments authorized</u>	<u>Expenditures to date</u>	<u>Remaining financial commitment</u>
Water Well #11	\$ 1,506,000	\$ 1,506,000	\$ -
RHID	315,000	239,632	75,368

As of December 31, 2012, the Water Well #11 project was completed under the projected costs resulting in a portion of the bond proceeds not being used to fund the project. The bondholder (USDA) has allowed the City to use a portion of these proceeds to repair the water tower as a part of this project, which is now complete, with the remaining balance of \$178,172 to retire a portion of the bonds.

G. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and medical needs of employees. The City purchases commercial insurance to cover health, property, liability, and worker's compensation claims. There has been no reduction in coverage from the prior year and settlements have not exceeded coverage in the past three years.

H. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 20, 2013, the date on which the financial statements were available to be used. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in these financial statements.

**REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF SPEARVILLE, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

Year ended December 31, 2012

<u>Fund</u>	<u>Certified budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General fund	\$ 340,000	\$ -	\$ 340,000	\$ 231,159	\$ 108,841
Special purpose funds:					
Special street	33,000	-	33,000	17,377	15,623
Bond and interest fund:					
Bond and interest	103,100	-	103,100	99,529	3,571
Business funds:					
Gas utility	500,000	-	500,000	215,246	284,754
Water utility	337,660	-	337,660	208,544	129,116
Sewer utility	90,000	-	90,000	78,763	11,237
Sanitation utility	60,000	-	60,000	53,496	6,504
Total	<u>\$ 1,463,760</u>	<u>\$ -</u>	<u>\$ 1,463,760</u>	<u>\$ 904,114</u>	<u>\$ 559,646</u>

See Independent Auditor's Report

CITY OF SPEARVILLE, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

	Year ended December 31,			Variance favorable (unfavorable)
	2011	Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 96,033	\$ 98,083	\$ 99,914	\$ (1,831)
Delinquent tax	1,769	1,616	430	1,186
Motor vehicle tax	23,213	25,203	24,332	871
Recreational vehicle tax	384	282	352	(70)
16/20M truck tax	-	-	123	(123)
Sales tax	91,064	92,845	90,000	2,845
Licenses and permits	1,673	10,122	1,500	8,622
Fines	730	1,540	1,000	540
Charges for services	2,000	1,650	1,500	150
Franchise tax	18,123	42,864	30,000	12,864
Interest	746	1,359	1,000	359
Miscellaneous	5,358	735	-	735
Total cash receipts	<u>241,093</u>	<u>276,299</u>	<u>\$ 250,151</u>	<u>\$ 26,148</u>
Expenditures:				
General government	95,653	68,259	\$ 120,000	\$ 51,741
Public safety	82,199	102,040	90,000	(12,040)
Highways and streets	16,868	30,221	100,000	69,779
Transfer to capital improvement fund	<u>30,051</u>	<u>30,639</u>	<u>30,000</u>	<u>(639)</u>
Total expenditures	<u>224,771</u>	<u>231,159</u>	<u>\$ 340,000</u>	<u>\$ 108,841</u>
Receipts over (under) expenditures	16,322	45,140		
Unencumbered cash, beginning of year	<u>152,487</u>	<u>168,809</u>	<u>\$ 89,849</u>	<u>\$ 78,960</u>
Unencumbered cash, end of year	<u>\$ 168,809</u>	<u>\$ 213,949</u>		

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

SPECIAL STREET FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

	Year ended December 31,			
	2012			Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Gasoline tax	\$ 21,462	\$ 20,247	\$ 23,400	\$ (3,153)
Charges for services	75	475	-	475
Total cash receipts	21,537	20,722	<u>\$ 23,400</u>	<u>\$ (2,678)</u>
Expenditures:				
Street maintenance	18,172	17,377	<u>\$ 33,000</u>	<u>\$ 15,623</u>
Receipts over (under) expenditures	3,365	3,345		
Unencumbered cash, beginning of year	105	3,470	<u>\$ 9,600</u>	<u>\$ (6,130)</u>
Unencumbered cash, end of year	<u>\$ 3,470</u>	<u>\$ 6,815</u>		

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	2011	2012
Cash receipts:		
Transfer from general fund	\$ 30,051	\$ 30,639
Interest	57	94
Total cash receipts	30,108	30,733
Expenditures:		
Capital improvements	-	82,837
Receipts over (under) expenditures	30,108	(52,104)
Unencumbered cash, beginning of year	44,819	74,927
Unencumbered cash, end of year	<u>\$ 74,927</u>	<u>\$ 22,823</u>

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

CRIME STOPPERS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	2011	2012
Cash receipts:		
Interest and donations	\$ 1	\$ 1
Expenditures:		
Public safety	-	-
Receipts over (under) expenditures	1	1
Unencumbered cash, beginning of year	1,036	1,037
Unencumbered cash, end of year	<u>\$ 1,037</u>	<u>\$ 1,038</u>

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

COMMUNITY DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	2011	2012
Cash receipts:		
Loan repayment	\$ 271,235	\$ 34,502
Interest	11,666	10,971
Total cash receipts	282,901	45,473
Expenditures:		
Administrative	1,616	1,353
Loan disbursement	75,194	-
Total expenditures	76,810	1,353
Receipts over (under) expenditures	206,091	44,120
Unencumbered cash, beginning of year	34,489	240,580
Unencumbered cash, end of year	\$ 240,580	\$ 284,700

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

WOODBURY TRUST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	2011	2012
Cash receipts:		
Interest	\$ 292	\$ 182
Expenditures:		
Financial aid	3,144	-
Receipts over (under) expenditures	(2,852)	182
Unencumbered cash, beginning of year	28,132	25,280
Unencumbered cash, end of year	<u>\$ 25,280</u>	<u>\$ 25,462</u>

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

COMMUNITY SIGN FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	2011	2012
Cash receipts:		
Donations	\$ 65	\$ 38
Expenditures:		
Capital outlay	-	206
Receipts over (under) expenditures	65	(168)
Unencumbered cash, beginning of year	221	286
Unencumbered cash, end of year	<u>\$ 286</u>	<u>\$ 118</u>

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

LAUDICK ESTATE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	2011	2012
Cash receipts:		
Donations	\$ 266,355	60
Interest	771	632
Total cash receipts	267,126	692
Expenditures		
Capital outlay	-	29,000
Receipts over (under) expenditures	267,126	(28,308)
Unencumbered cash, beginning of year	-	267,126
Unencumbered cash, end of year	<u>\$ 267,126</u>	<u>\$ 238,818</u>

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

	Year ended December 31,			
		2012		Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes:				
Ad valorem property tax	\$ 5,025	\$ 4,393	\$ 4,445	\$ (52)
Delinquent tax	509	229	25	204
Motor vehicle tax	7,362	3,489	1,266	2,223
Recreational vehicle tax	120	33	18	15
16/20M truck tax	-	-	6	(6)
Special assessments	17,645	17,210	12,000	5,210
Transfer from water fund	77,500	77,600	77,500	100
Total cash receipts	108,161	102,954	\$ 95,260	\$ 7,694
Expenditures:				
Principal	35,400	36,100	\$ 36,100	\$ -
Interest and commission	65,034	63,429	67,000	3,571
Total expenditures	100,434	99,529	\$ 103,100	\$ 3,571
Receipts over (under) expenditures	7,727	3,425		
Unencumbered cash, beginning of year	3,108	10,835	\$ 7,840	\$ 2,995
Unencumbered cash, end of year	\$ 10,835	\$ 14,260		

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

WATER WELL #11 CONSTRUCTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	2011	2012
Cash receipts:		
Interest	\$ 280	\$ 148
Expenditures:		
Contractual services	17	-
Capital outlay	120,304	-
Debt service	-	178,172
Transfer to Water Capital Outlay	-	2,744
Total expenditures	120,321	180,916
Receipts over (under) expenditures	(120,041)	(180,768)
Unencumbered cash, beginning of year	300,809	180,768
Unencumbered cash, end of year	\$ 180,768	\$ -

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

RHID CONSTRUCTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	2011	2012
Cash receipts:		
Proceeds of temporary notes/bonds	\$ 315,000	\$ -
Expenditures:		
Construction	33,822	200,297
Debt service	-	5,513
Total expenditures	33,822	205,810
Receipts over (under) expenditures	281,178	(205,810)
Unencumbered cash, beginning of year	-	281,178
Unencumbered cash, end of year	<u>\$ 281,178</u>	<u>\$ 75,368</u>

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

GAS UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

	Year ended December 31,			
	2012			Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Customer charges	\$ 280,853	\$ 218,024	\$ 450,000	\$ (231,976)
Expenditures:				
Personal services	63,411	46,120	\$ 60,000	\$ 13,880
Contractual services	185,765	161,641	380,000	218,359
Commodities	7,134	7,485	15,000	7,515
Capital outlay	10,187	-	25,000	25,000
Transfer to gas reserve fund	-	-	20,000	20,000
Total expenditures	266,497	215,246	\$ 500,000	\$ 284,754
Receipts over (under) expenditures	14,356	2,778		
Unencumbered cash, beginning of year	111,343	125,699	\$ 76,343	\$ 49,356
Unencumbered cash, end of year	\$ 125,699	\$ 128,477	\$ 26,343	\$ 102,134

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

	Year ended December 31,			
	2012			Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Customer charges	\$ 259,182	\$ 283,331	\$ 210,000	\$ 73,331
Expenditures:				
Personal services	37,306	51,301	\$ 60,000	\$ 8,699
Contractual services	37,560	39,738	40,000	262
Commodities	15,038	10,684	15,000	4,316
Capital outlay	5,922	61	100,000	99,939
Transfers	203,230	106,760	122,660	15,900
Total expenditures	299,056	208,544	\$ 337,660	\$ 129,116
Receipts over (under) expenditures	(39,874)	74,787		
Unencumbered cash, beginning of year	311,518	271,644	\$ 204,288	\$ 67,356
Unencumbered cash, end of year	\$ 271,644	\$ 346,431	\$ 76,628	\$ 269,803

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

SEWER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

	Year ended December 31,			Variance favorable (unfavorable)
	2011	Actual	Budget	
Cash receipts:				
Customer charges	\$ 71,554	\$ 72,331	\$ 75,000	\$ (2,669)
Expenditures:				
Personal services	53,438	42,266	\$ 50,000	\$ 7,734
Contractual services	14,195	11,386	25,000	13,614
Commodities	269	25,111	10,000	(15,111)
Capital outlay	10,110	-	5,000	5,000
Total expenditures	78,012	78,763	\$ 90,000	\$ 11,237
Receipts over (under) expenditures	(6,458)	(6,432)		
Unencumbered cash, beginning of year	13,848	7,390	\$ 22,848	\$ (15,458)
Unencumbered cash, end of year	\$ 7,390	\$ 958	\$ 7,848	\$ (6,890)

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

SANITATION UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

	Year ended December 31,			
	2012			Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Customer charges	\$ 52,122	\$ 56,573	\$ 55,000	\$ 1,573
Expenditures:				
Contractual services	49,562	53,496	\$ 55,000	\$ 1,504
Capital outlay	-	-	5,000	5,000
Total expenditures	49,562	53,496	\$ 60,000	\$ 6,504
Receipts over (under) expenditures	2,560	3,077		
Unencumbered cash, beginning of year	13,988	16,548	\$ 12,988	\$ 3,560
Unencumbered cash, end of year	\$ 16,548	\$ 19,625	\$ 7,988	\$ 11,637

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

GAS UTILITY RESERVE FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS**

	Year ended December 31,	
	2011	2012
Cash receipts:		
Transfer from gas utility fund	\$ -	\$ -
Unencumbered cash, beginning of year	20,000	20,000
Unencumbered cash, end of year	<u>\$ 20,000</u>	<u>\$ 20,000</u>

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

WATER CAPITAL OUTLAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	2011	2012
Cash receipts:		
Cash rent	\$ 15,850	\$ 43,714
Transfers	125,730	31,904
	<u>141,580</u>	<u>75,618</u>
Expenditures:		
Debt service:		
Capital lease principal	130,214	-
Interest	4,350	-
	<u>134,564</u>	<u>-</u>
Receipts over (under) expenditures	7,016	75,618
Unencumbered cash, beginning of year	<u>9,825</u>	<u>16,841</u>
Unencumbered cash, end of year	<u>\$ 16,841</u>	<u>\$ 92,459</u>

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

UTILITY DEPOSITS FUND

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

Year ended December 31, 2012

<u>Fund</u>	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
Utility deposits	\$ 7,085	\$ 2,100	\$ 1,850	\$ 7,335

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